Approved For Release 2008/09/15

CIA-RDP80-00810A007700810004-7

Plasticator - 2,500 DME per ton 2,300 DME per ton Pervinan

Perbunan (average) - 3,400 DME per ton -- 4,200 DME per ton Perbunan extra

- 2,300 DME per ton Buna

STATE

CLASSIFICATION

850 DME per ton Buna latex

Prices under the ordinance in its final form are not yet knows.

S-E-C-R-E-T

DISTRIBUTION #X NAVY X NSRB #X FBI #X AIR

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4. The following tables were prepared in the Ministry for Heavy Industry and submitted to the Council of Ministers to show the development of the coal and the power and gas industries since 1950. Figures are in millions of DME.

## Coal (Pit coal and Lignite)

Year	Turnever (Umsatz)	Costs (Kosten)	Income (Ergebnia)	Profitability (Rentabilitaet)
19 <b>5</b> 0	803.6	873.	- 69.4	- 7.95 %
1951	944.		- 106.9	•
1952	1,083.		130.	
1953	1,368.		-	
1954	1,402.	1,604. *		- 14.15 %
1955 - (Planned)	1,499.	1,559.		- 4.3 %

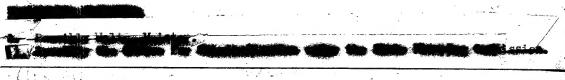
\* The cost increase in 1954 was attributable to the fleeds and severe frosts during the early part of that year.

### Power and Gas

Year	Turnsver	Costs	Income	Profitability		
1950	764.	635.	+ 128.	4 20.24 %		
1951	7		(6)			
1952		•				
1953	w <sub>1.</sub>			rord		
1954	1,825. *	1,727.	<b>♦</b> 97 <b>•</b>	\$ 5.95 % \$ 7.77 %		
1955 - (Planne	1,938.	1,804.	<del>†</del> 133.	T 1411 P		

- \* The rate of increase between 1950 and 1954 was due not only to new construction but also to the tying in of numerous local installations with the national power network.
- 5. It is currently being rumored in the Ministry for Heavy Industry that the East German defense program is to be managed jointly by Heinrich Rau and Willi Steph. Rau, now Minister for Foreign and Domestic Trade, will handle economic affairs connected with rearmament, while Steph, until recently Minister for the Interior, will be in charge of the military side of the program.
- 6. Heinrich Rau allegedly stated that a new vertical reorganization of the East German Ministries is being considered. Among other changes contemplated is a linking of Machine Construction with the Steel Industry, reportedly because Minister for Heavy Industry Fritz Selbmann's empire is becoming too large (at least according to Rau.)
- 7. On 8 July 1955, Kromer (fnu) of the Heavy Industry Ministry's Planning Department represented Selegann at a conference in the Ministry for Heavy Machine Construction. The Ministries and General Machine Construction also participated.

  Minister Erich chaired the machine, allegedly stated during the course of the conference and reder (Austras) situation in the Heavy Machine Construction ministry situation



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# THIS IS UNEVALUATED INFORMATION

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1. Professor heliaber (firm); formed worth the fact Geomethin the for Machine Construction, has been appointed head of the Cifics for Charles isotion and Rebion lization (Ant fuer Secularizations and Types Larry) under the Ministry for Heavy Industry. He replaced Apel (firm).

2. VER Salverse Purit, the reconstruction of which is considered to be one or the Ministry for heavy Industry's most important mojects under the Second Rive Tear Plan, is to be as large an appelliable as the identification and in the Second Rive Tear Plan, produce an Atable cokes (Fortage transfer highest) — schwarze Purit is located 125X1 Senitenburg/Spreader area, alose to the new power station at Tratherhouse. Take Grabner, former director of VER Lenten is Leiberg, her been sain past to interest the project.

3. On I decrear 1976, a new ordinance is to go into effort in Rost Germany boducing the prices of artificial subber products. Is critically formulated by the State Planning Geometric and the Minister for Finance, the critically formulated by the subted in a reduction of 100,000,000 EMI in the total income would have reducing 1976. (In 1854 there had been an Artificial income from artificial subter during 1976, (In 1854 there had been an Artificial income of 110,000,000 FME from Buns). The Ministery for Heavy Industry objected to the missing of this reduction on the grounds that it would bring the critical rubber prices down below the 197th level in some cases. An agreement was firstly reached afterday the total income reduction would amount to between 50 and 60,000,000 DME. The ordinance as originally planned (the 100,000,000 DME reduction) would have benefited the export sector of the economy by 53,000,000 DME, the rationalized enterprises (VEBs) by 46,000,000 DME, and private consumers by about 1,000,000 DME. The world have set the prices for various artificial rubber as follows:

Plasticator = 2,500 DME per ton
Pervinan = 2,300 DME per ton
Pervinan extra = 4,200 DME per ton
Eune = 2,500 DME per ton
Eune = 2,500 DME per ton
Eune = 2,500 DME per ton

Prices under the ordinance in its first maps at mot known.

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CLASSIFICATION

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4. The following tables were prepared in the Ministry for Heavy Industry and submitted to the Council of Ministers to show the development of the coal and the power and gas industries since 1950. Figures are in millions of DME.

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#### Power and Gas

Year	Turnover	Costs	Income	Prof	itability
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1952 1953	1 ADC 31	7 000	8 37	.a.	5 05 ¢
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- 7. On 8 July 1955, Kromer (fnu) of the Heavy Industry Ministry's Planning Department represented Selbmann at a conference in the Ministry for Heavy Machine Construction. The Ministries for Finance and General Machine Construction also participated. Minister Erich Apel, who chaired the meeting, allegedly stated during the course of the conference that the order (Auftrag) situation in the Heavy Machine Construction Ministry was extremely poor and that no contracts at all existed for 1956. The situation in the General Machine Construction Ministry was somewhat better.

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Comments:			•		25	X1

1. Possibly the Office for Standardization under the State Planning Commission.

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